

November 16, 2015
Portland Planning and Sustainability Commission
1900 SW 4th Avenue
Portland, OR 97201
RE: Powell/Division City of Portland Local Action Plan

Dear Chair Baugh and commission members,

We would like to thank the City of Portland staff who have created a plan that reflects so many of the challenges and opportunities for the Powell/Division High Capacity Transit project. As members of the project Steering Committee and East Portland housing stakeholders, we are excited about the project's ability to improve transportation options for communities living, working, and traveling along the corridor. We appreciate the efforts that have been made to connect the future transit investment to land use and active transportation planning, and we think the plan has the potential to help stabilize residents and businesses in the corridor.

Currently, not all actions have timelines or funding sources that reflect the urgency of the challenges that we face. Actions related to community stabilization and anti-displacement, in particular, should be paired with funding opportunities that have been part of so many conversations in the City of Portland recently. These include, but should not be limited to: general obligation bonds, dining taxes, developer impact fees, or a property tax levy. Funds developed from these sources could potentially be used to provide: land banking opportunities for affordable housing and community-serving commercial spaces; loan and grant funds for first time home buyers; rehabilitation funds for current home owners; and targeted rehabilitation funding for preservation of existing affordable housing along the corridor.

We appreciate the plan's actions directed at improving and protecting the experience of renters along the corridor. To address long-term community stabilization, though, the plan needs to have a stronger emphasis on the policies that help community members build wealth - especially affordable commercial space and low-cost home ownership opportunities. While we are happy to see several actions that relate to our earlier policy recommendations for community stabilization (see attached), several opportunities have been left out.

With these additions, the Portland Local Action Plan could direct resources and energy into corridor improvements that support current businesses and residents.

Thank you for your consideration,
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Community Stability Goals and Tools

Powell-Division Transit Development Project

March 2015

The Powell-Division Transit Development Project presents a great opportunity to create a healthier, better connected, and economically vibrant Powell-Division Corridor. It is critical that this project focuses on improving transportation options and addresses active transit safety concerns along the corridor. Nevertheless, it must be recognized that this is more than just a transportation project- it is also a development project.

This development project has the potential to make necessary improvements so that communities residing along the corridor are supported and empowered to meet their potential wellbeing. However, there are significant concerns among local residents regarding the impacts that development will have on their ability to continue to reside in and enjoy the new benefits that this project will bring. As is evidenced by the various development projects that Multnomah County has experienced over the decades, our low-income communities and communities of color have shouldered the burdens of displacement and gentrification that have resulted from such projects.

The Powell-Division Transit Development Project area is home to neighborhoods with some of the highest percentages of communities of color, youth, and families living on low incomes in Multnomah County. If deliberate and early steps are not taken to ensure that these demographic groups are protected from displacement and other potential ill side effects of development, we will likely see a repeat of the gentrification and subsequent displacement that has occurred in Multnomah County. Proactive action to address these concerns must be prioritized, as reversing damage done can be burdensome on the region and inadequate. This project is an opportunity to ensure that all residents living along the Powell-Division corridors have access to essential resources such as varied transportation options and affordable housing.

What follows is the product of an ongoing and collaborative conversation between community members, community organizations, city entities, and business members combining resources to produce a guide on community stability that seeks to prevent and/or address gentrification and displacement. This guide is intended to be a conversation starter, not an exhaustive or comprehensive list of tools. It is imperative to start these conversations now, before we repeat history and find that the only options to reverse damage are limited and inadequate.

This document begins with a shorthand list of the goals developed, as well as the tools proposed to aid in the achievement of those goals. Following the shorthand list is a detailed outline for each proposed tool describing the tool in general, local and national precedence for its use, and utilization concepts within the Powell-Division Corridor.

Community Stability Goals and Tools Resource Document

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City of Gresham

City of Portland

Community Alliance of Tenants

Division Midway Alliance

Jade District

Metro

Multnomah County

Eleven Goals to Community Stability

Goal 1: Affordability of housing in the corridor is maintained

- Adopt policy of No Net Loss of affordable housing along the corridor
- Limit or prevent conversion of market rate affordable housing to condos
- Retain expiring-subsidy units

Goal 2: New Housing in the corridor is developed in a manner that provides housing opportunities for a profile of household incomes that are representative of the city

- All partners/jurisdictions advocate at the state level for inclusionary zoning
- Adopt a policy requiring new housing production within the Powell-Division corridor to match countywide income profile
- Provide support for non-profit acquisition of affordable housing

Goal 3: The quality of rental housing in the corridor is healthy and above standard

- Additional rental inspectors to work along this corridor. Property owner fines should go into a community controlled fund

Goal 4: Renters in the corridor are provided with protection from displacement and landlord malfeasance

- Institute rent control along the corridor
- Eliminate No Cause Evictions
- Develop funding package for Rental Assistance
- Current renters get first right to access new affordable housing if displacement occurs
- First Right to Purchase
- Property owners to provide relocation fees if renters are displaced

Goal 5: Programs are established to protect and increase access to homeownership for low-income communities

- Provide long-term homeowners with tax credit
- Develop limited-equity cooperatives
- Create a real estate investment trust
- Establish a Community Land Trust

Goal 6: New development projects provide economic opportunities for current low-income residents living along the corridor

- First source, local job hiring and training for all new large developments from low-income communities
- Ensure local communities have access to union construction careers on all development projects in the corridor
- Work with local community partners to develop workforce development programs for new permanent jobs in the corridor including those in the public sector

Goal 7: Community development strategies are implemented to provide economic opportunities for small, immigrant, refugee, and minority-owned businesses

- Establish contained Mixed-use Zones along the Bus Rapid Transit (BRT) alignment for East Portland
- Establish development packages that are East Portland specific in mixed use areas
- Establish savings matches so businesses could expand over time

Goal 8: Improving health outcomes in the corridor are prioritized in all new development

- A Health Overlay Zone within the Jade and Midway Districts that requires new development to mitigate air and noise pollution
- Transfer ownership of Powell Blvd and 82nd Avenue to the City of Portland in order to create healthy and safe conditions

Goal 9: Powell-Division residents are meaningfully engaged and empowered to influence the direction of development activity along the corridor

- Provide jurisdictional support for an ongoing steering committee to direct and guide development activity along the corridor

Goal 10: Equity standards guide investments in the corridor

- Require developers to conduct a community or equity impact report outlining community burdens and benefits- to be submitted with development proposal and approved by the steering committee

Goal 11: Programs are established to support and uplift low-income families so that they can remain and thrive in the community

- Individual Development Accounts (IDAs) for renters in the corridor who have low incomes
- Microenterprise and small-scale economic development projects for renters in the corridor who have low-incomes
- The creation of a Community Bank
- Work with local community partners and educational institutions to develop workforce development training clusters to support entry into sustainable, family wage careers

Community Stability – Detailed Goals and Supported Tools

Powell-Division Transit & Development Project

Goal 1: Affordability of housing in the corridor is maintained.

- **Adopt policy of No Net Loss of affordable housing along the corridor.**

We recommend that Portland’s existing No Net Loss policy be applied to the Powell-Division Transportation and Development Corridor in order to ensure that affordable housing is maintained along the corridor, thereby avoiding potential displacement of current tenants and/or loss of affordable housing. No Net Loss policy works to ensure that affordable housing stock that is lost due to development, demolition, etc. is replaced so that there is no loss of units overall. Portland’s *Central City No Net Loss Policy* was adopted by City Council and mandates no net loss of affordable housing in the central city. A large portion of the corridor falls outside of the central city boundary (maps in appendix) and compliance with this ordinance is fairly uncertain. A primary issue for *No Net Loss* is that provisions are subject to challenge by property owners and developers. Comprehensive Plan adoption and utilizing the Regional Affordable Housing Strategy are potential avenues for stronger policy. Overall, considering that we have an existing policy for No Net Loss, it serves as a reference for precedence and could be feasibly applied to the corridor.

The objectives of title 7 of Metro’s Urban Growth Management Functional Plan, Housing Choice, are complementary to the asks outlined above. It calls for “the establishment of voluntary affordable housing production goals to be adopted by local governments . . . towards increasing the supply of affordable housing”. They seek to establish this through requirements for the Comprehensive Plan and the implementation of ordinance changes. Section B of 3.07.730 calls for the inclusion of strategies to maintain the existing supply of affordable housing as well as increase the opportunities for dispersed affordable housing within their boundaries. Moreover, section C calls for the inclusion of strategies that “increase opportunities for households of all income levels to live within their individual jurisdictions in affordable housing”.

No Net Loss policies are practiced with success elsewhere. Portland, ME, Los Angeles, CA, and Arlington, VA have exemplary programs for no net loss. Portland, ME has adopted, within their comprehensive plan, “action standards” for all proposed development. Los Angeles, CA has implemented a No Net Loss Policy for all affordable housing within their downtown redevelopment plan, focusing on areas that are at highest risk for loss of affordable housing. Arlington, VA has an Affordable Housing Targets Report wherein one of the goals is “permit no net loss of committed affordable housing . . . maintain the supply of affordable market rate housing”. They outline strategies for achieving this goal: maintain affordable housing by assisting an average of 400 new committed affordable market rate housing, and incentivizing compliance via bonuses (such as density bonuses)¹.

- **Limit or prevent conversion of market rate affordable housing to condos.**

Regulations regarding condo conversions exist in various cities, with cities in California providing impressive cases. San Francisco had operated a lottery system that permitted only 200 conversions per year. While this ended, conversions are presently subjected to a \$20,000 fee. Lafayette limits the number of conversions, as does San Carlos but does so annually and based on vacancy rates. Finally, San Leandro landlords are only able to convert if there is at least a 5% vacancy rate citywide, 75% of tenants agree to the conversion, or the landlord agrees to sell 25% of units at affordable ratesⁱⁱ.

- **Retain expiring-subsidy units.**

Twenty- and forty-year HUD contracts for rent and mortgage subsidies are beginning to expire in Portland and Gresham. The expiration of these contracts would allow property owners to convert the buildings or units from affordable to market-rate apartments or condominiums. Therefore, through this expiration, Portland and Gresham could see the loss of thousands of affordable housing units over the next ten years.

There are multiple approaches to retaining these affordable housing units: tax incentives can be offered to renew contracts for expiring affordable multi-family housing; owners can be encouraged to seek federal incentives to renew contracts and/or restructure mortgages; or public/private partnerships can be developed to assist affordable housing management firms to purchase the units before they expire.

As recent as 2013, the City of Portland has shown precedence in creating public/private partnerships to retain expiring affordable housing units. Working with HUD, the State of Oregon, the Network for Oregon Affordable Housing (NOAH), local nonprofits and private funders, the Portland Housing Bureau launched the “11 by 13” initiative to preserve project-based subsidies in 11 privately-owned complexes before their contracts with HUD expired in 2013. The initiative helped affordable housing management firms in purchasing and renovating the building as well as assisting in receiving a 20-year extension on its HUD contract on the condition that the new owner would keep rents affordable. Another condition of receiving City assistance was that it required the owners to keep the units affordable for the next 60. This effort saved over 700 affordable homes located in Portland’s vibrant and desirable neighborhoods.

Goal 2: New housing in the corridor is developed in a manner that provides housing opportunities for a profile of household incomes that are representative of the city.

- **All partners/jurisdictions advocate at the state level for inclusionary zoning.**

We recommend that jurisdictions advocate to lift the state’s ban on Inclusionary Zoning. Inclusionary Zoning is a useful tool in combating gentrification and displacement as it mandates regulations within zones, promoting affordable housing development and mixed income habitation by requiring that a specific share of housing developed is rented at affordable rates. While banned in the state of Oregon, advocates such as Housing Land Advocates, Oregon Inclusionary Zoning Coalition, and the Coalition for Affordable and Safe Housing are actively pushing for a lift of the

ban. However, there needs to be advocacy on the regulatory level in order to successfully push for a lift of the ban.

California is a leader in inclusionary policy; more than one hundred jurisdictions have a program addressing the need for affordable housing. Irvine, CA in particular adopted IZ in 2003 has created 3,400 affordable homes and apartments, with 750 in progress. Additionally, 3.8 million dollars in fees have been collected. New York has an IZ policy that is not mandatory, heavily incentivized by allowing developers to build an additional percentage of a building if a specific number of affordable units are built. Boulder, CO enacted mandatory IZ in 2000, and in four years 300 units of affordable housing were built and 1.5 million in fees were collectedⁱⁱⁱ.

- **Adopt a policy requiring new housing production within the Powell-Division corridor to match the countywide income profile.**

This policy would require that all new development within the Powell-Division corridor to be built in a distributive fashion that meets the income profile of the county.

There is precedent of this policy within Portland. The Portland Comprehensive Plan Housing Policy establishes a balancing goal for housing production in new redevelopment areas to match the citywide income profile (Comp Plan Housing Policy 4.7, Objective 1). This housing policy goal has been used in the North Macadam Urban Renewal Area for the 3,000 housing units that were proposed to be developed in the area. Below is a table that outlines how the housing development was to be distributed^{iv}.

MFI Ranges	Citywide Profile	City Policy Profile
0-30%	13.50%	405 Units
31-50%	17.20%	516 Units
51-80%	16.70%	501 Units
81-100%	14.10%	423 Units
101-120%	11.10%	330 Units
121-150%	21.70%	651 Units
151-+%	5.80%	174 Units
		Total: 3,000 Units

- **Provide support for non-profit acquisition of affordable housing.**

Goal 3: The quality of rental housing in the corridor is healthy and above standard.

- **Additional rental inspectors to work along this corridor. Property owner fines should go into a community controlled fund.**

While Portland's rental inspection is primarily complaint-driven, Gresham has both a complaint driven and a mandatory rental inspection program. The program is funded through an annual fee on rental license that is based on the number of units being rented. The City chooses properties to inspect through random statistical sampling. According to the City of Gresham's brochure, "All properties with five units or less will be inspected approximately once every three years. Rental properties with five units or more will be inspected annually." The City of Portland did pilot an enhanced inspections program in two areas of the city, including parts of the Powell/Division Corridor. While the program was still complaint-driven, if a high number of violations were seen in a unit or in the exterior of the property, then other units in the owner's portfolio could also be inspected. Two other notable rental inspection programs exist in Boston, MA and Warren, MI. Boston's program requires an annual registration fee and a non-compliance fee of \$300 per month for landlords and property owners. Warren's program is similar, but places fees and fines into an inspection fund^v.

Goal 4: Renters in the corridor are provided with protection from displacement and landlord malfeasance.

- **Institute rent control along the corridor.**

We recommend the implementation of Rent Control or Rent Stabilization policies in both the City of Gresham and the City of Portland in order to protect existing tenants of the corridor from the rent increases that are likely to occur from increased development in the area. Rent Control is a type of price control, a tool that attempts to combat rapidly rising rents due to market pressures, and the resultant instability and lack of affordability. Rent control ensures that rents are stabilized by limiting the changes, in this case price increases, that can occur for a given property. It was initiated in New York City, but began to take hold nationally in the 1970s as a way to protect tenants from ever-rising rents in cities. Various cities successfully utilize Rent Control policies and municipalities such as San Francisco, New York are hailed for their rent control and the protection that they provide.

Ultimately, Rent Control is forbidden in the State of Oregon, due to unsubstantiated beliefs that market disruptions, deferred maintenance, and other potential problems would harm the affordable housing stock. Currently, not many tools exist to preserve and maintain market rate affordable apartments. Rent control is one tool that can be used to slow down the rise of exorbitant rents and help stabilize working families.

- **Eliminate No Cause Evictions.**

We recommend the elimination or limitation of No Cause Terminations through policy and implementation of Good Cause Terminations standards in order to protect tenants who are at risk of displacement due to new development along the corridor. Currently in Oregon, a landlord can terminate a rental agreement, anytime in a month-to-month lease or at the end of a fixed-term lease, with no stated cause or ability for the tenant to remedy a lease violation or unpaid rent. This practice increases housing instability, especially for low-income tenants, and can often lead to involuntary displacement or even homelessness, even when the tenant has done nothing wrong. This is problematic for any city, but especially crucial in Portland's very tight rental market. Eliminating or limiting No Cause terminations would impose standards on property owners or landlords wishing to end the rental agreement, only permitting termination if it is justified by reasonable cause. Many

direct or indirect housing subsidies, such as landlords or property owners receiving Low Income Housing Tax Credits are required to guarantee that all tenants in those units will not be evicted without good cause.

Good Cause Termination policies, also known as Just Cause Eviction policies, exist nationwide, with notable success in various cities such as Oakland, Seattle, and San Francisco. Oakland passed an ordinance due to “public emergency” regarding lack of affordable housing, and disproportionate impacts on vulnerable communities, in addition to increasing housing market pressures. The Oakland ordinance outlined thirteen “just causes” for terminations, including “owner move in” and cases where the landlord wished to exit the management or ownership of the property altogether. San Francisco has a similar ordinance, outlining sixteen “just causes” to be complied with via a “Rent Ordinance”. Seattle, too, has an ordinance, outlining eighteen “just causes”. There are current efforts underway in Multnomah County and Portland, to examine the use of No-Cause Terminations by landlords, and design and implement solutions similar to Seattle, Oakland and San Francisco.

In order to achieve success, the elimination or limitation of No Cause Terminations and the implementation of Rent Control need to coincide. Metro’s recognition of the barriers created by No Cause Terminations and support of a countywide effort to implement Good Cause Terminations will dramatically advance anti-displacement along the corridor. Further, Metro’s recognition of the barriers that residents face in the absence of rent control and/or rent stabilization and support of lifting the statewide ban will significantly impact the likelihood of this coming to fruition. Because Metro promotes “equitable transit-oriented development” and claims that it can “reduce existing disparities”, “benefit existing residents” and “enhance diverse neighborhoods”, we hope that support on these matters comes with ease.

- **Develop Funding Package for Rental Assistance**

As an additional method of protecting existing tenants located near the corridor, we recommend the development of a funding package for rental assistance that includes first right of refusal, relocation assistance, and five-year voucher assistance. The relocation and voucher assistance programs can be built through an impact fund that draws from System Development Charges (SDC) charges or development taxes. Relocation assistance, currently provided by the Portland Housing Bureau, is currently only related to habitability issues (such as mold and lead problems). This can be extended to serve those displaced by development. Voucher rental assistance, which is intended to cover the difference between what one is able to pay in rent and what the new market rates are, should be protected for five years minimum. This will ensure that existing renters are not displaced due to being ‘priced-out’ and are able to benefit from the improvements taking place in their neighborhood. Over the five years, tenants can have a better chance of adjusting to the new higher rents, and hope to enjoy the greater economic opportunities that the project will eventually bring to the area. These objectives align directly with Metro’s ‘equitable transit-oriented development’ language.

- **Current renters get first right to access new affordable housing if displacement occurs.**

We recommend that a program be put in place so that existing renters displaced by development are granted priority for new affordable housing in the corridor. Displacement is especially problematic

for families in that they are rooted in their neighborhoods and lack the resources to uproot elsewhere. First right to access is much like first right of refusal in that the existing tenant receives the first opportunity to occupy any new units. In this case, not only will existing tenants receive the first opportunity to occupy a unit, but also at rates similar to what they had before. This would ensure that existing renters are not permanently displaced, and welcome to return in the case of temporary displacement due to redevelopment.

In terms of local precedence, the Portland Housing Bureau's community focused North/Northeast Neighborhood Housing Strategy is currently drafting a plan that will ensure that rent and ownership opportunities preference are given to target groups. In this case, the target groups are previous and current residents of the area, namely low-income people of color. The plan is in progress and scheduled for implementation in June of this year (2015). The intentions of the Strategy are to provide precedence for eventual citywide implementation.

- **First Right to Purchase**

The Mixed-Income Transit Oriented Development guide, developed with the assistance of the Federal Transit Administration, describes first right of refusal as giving non-profit affordable housing developers, tenants or tenant cooperatives the first right to purchase multi-family buildings. Montgomery County, Maryland and its Housing Opportunity Commission (HOC) reserve the right to match contracts on rental facilities or buildings sold for condo conversions. Tenant associations, too, have the right to match contracts, unless the purchaser commits to preserve affordable rates for five years. Montgomery County has exercised their first right of refusal several times.

The District of Columbia has a First Right Purchase Program that has aided in the preservation of almost 1,400 units of affordable housing. Their program helps retain residents despite rising costs in the surrounding area. The program works by providing low-interest loans to tenant groups wishing to purchase or rehabilitate housing when the property owner has decided to sell. This program not only prevents displacement and skyrocketing rents, but also provides low to moderate-income people the chance of homeownership, as well as control^{vi}.

- **Property owners to provide relocation fees if renters are displaced.**

Considering the burden of relocation upon displacement, we recommend that tenants are provided with relocation fees upon displacement. Many programs like this exist, often tailored to the jurisdiction. Federally, HUD mandates that relocation fees be provided to tenants displaced from their homes, dependent upon eligibility. HUD covers the relocation fees itself. In the case of the Powell-Division transit corridor, developers should be responsible for paying the fees in whole.

Seattle, WA has a Tenant Relocation Assistance Ordinance that requires developers to pay relocation assistance to low-income tenants who must move due to specific reasons including renovation or redevelopment. The cost burden is shared between the developer and the City of Seattle. Los Angeles, CA requires payment of relocation assistance and the filing of a 'Landlord Declaration of Intent to Evict' form prior to evicting a tenant for purposes not of their own fault, such as with redevelopment. This is mandated through the Rent Stabilization Ordinance (RSO) and only applies to properties covered by the RSO, which include most rental units, except for single-family homes. This proposal seeks to cover those renting single-family homes as well.

Goal 5: Programs are established to protect and increase access to homeownership for low-income communities.

- **Provide long-term homeowners with tax credit.**

Similar to a first-time homeowner tax credit, this approach would provide more stability and support to low-income homeowners who have lived along the corridor for generations.

- **Develop limited-equity cooperatives.**

Limited equity cooperatives provide ownership opportunities by allowing people to share ownership of housing. This can manifest in different ways, but typically consists of both housing and land owned by a non-profit or bank, with fixed borrowing terms that complement those with lower incomes. Each “member” or household contributes to the overall costs by paying a percentage and in term is a co-owner. There are restrictions placed that limit the growth of value on these properties and typically members are not allowed to “flip” or sell for profit. Limited equity cooperatives provide an opportunity for low-income residents to establish ownership, thereby stabilizing them in place and protecting them from displacement and lack of affordability. Logan Square Cooperative in Chicago is a great example of an LEC operating in an area of high demand. It consists of 8 apartment style, family friendly units ranging from studio to three bedroom, all with long-term affordability. Residents pay a low share and carryings costs monthly.

Woolsey Corner is a housing cooperative here in Portland is a great example of cooperative housing that serves the low-income community. Because of a partnership with Proud Ground, a home can be purchased at Woolsey Corner with a \$500 down payment and a 30 year fixed rate mortgage. The housing is permanently affordable, and the units range from \$87,000 to \$150,000 with respective monthly payments ranging from \$584 to \$1,054. Woolsey Corner. However, Woolsey Corner employs an ownership structure that is slightly different from LECs.

- **Create a real estate investment trust.**

A Real Estate Investment Trust (REIT) is a group of individuals or a company that owns and operates income-producing real estate and related assets with investors earning a share of the income produced by the property. It was established by a 1960 IRS law that permitted multiple owners to invest in a property. REITs are subject to qualifications that include distributing at least 90% of income to shareholders through dividends, retaining the property versus selling post-development, and other stipulations. While REITs are generally pursued by those with asset portfolios who trade their REITs on a stock exchange, we are suggesting a modified program that seeks to benefit asset-poor, low-income investors. The intent of this program is to provide low and moderate-income community members the option to invest in income-generating property.

Local precedence for a community focused REIT is provided by Mercy Corps, who is looking to secure local investors from the community to participate in the purchase of the Mercy Corps owned Plaza 122. They have a targeted investor profile, which includes nearby residence at or below income thresholds. Mercy Corps has developed an investing scheme tailored to low-income investors that consists of small, direct, and monthly investments. They are anticipating an initial community investor equity of 28-40%. By providing ownership opportunities to the local community, this

project increases neighborhood resiliency and ensures more equitable distribution of the economic gains of gentrification. Ultimately, this project aims to positively impact the community by providing affordable, mixed-use, business spaces, a diverse tenant mix addressing neighborhood needs, and asset building for low-income residents. CITE

Other national examples demonstrate that REITs can be used for community benefits and utilize an approach that extends beyond one building. The Community Development Trust (CDT) and Housing Partnership Equity Trust (HPET) are two such examples. CDT operates in over half of U.S. states, offering affordable housing through their properties. HPET is the product of the Housing Partnership Network (HPN), a group consisting of 100 affordable and community development nonprofits across the nation. The HPET pools investment funding from various foundations in tandem with a line of credit with major banks. They have produced affordable housing through acquired properties in Virginia, Illinois, and California. These examples demonstrate that larger scale REITs with a community focus can in fact achieve success.

- **Establish a Community Land Trust.**

A Community Land Trust (CLT) are nonprofit organizations that help make homes and other things (such as community gardens, commercial space, affordable housing) affordable and accessible. A CLT works by purchasing vacant land and developing housing on it. The land is permanently held by the land trust so that it will always benefit the community. They then sell the home for an affordable price and lease the land to the new owners. When CLT homeowners decide to move out, the CLT land lease requires that the home be either sold back to the CLT or to another homeowner for an affordable, off-market price. This essentially takes the home off the market and keeps it affordable.

Proud Ground is an example of a local CLT that works in Multnomah and Clackamas Counties.

Goal 6: New development projects provide economic opportunities for current low-income residents living along the corridor.

Produce high quality employment with pay equal to or more than a family living wage and opportunities for internal and external mobility

- **First source, local job hiring and training for all new large developments from low-income communities.**

Community Benefit Agreements (CBA) are mutually beneficial agreements between developers and the community; communities are ensured fairness and developers are ensured less resistance from community members. The notion of a CBA began with the Staples Center development in California in the 1990s which included workforce training and hiring. A notable CBA in Portland is a CBA proposed by the Metropolitan Alliance for Workforce Equity that aims to bring benefits to workers, promote training and placement of vulnerable populations, and grow demand for disadvantaged businesses. CBAs are a potential avenue for implementing first source job hiring and training for new developments and have already gained traction in Portland.

However, CBAs should also focus on businesses that are of value to the community. For example, in an area with a higher population of families, adequate and affordable childcare should be present.

This would likely require subsidization of childcare centers or some sort of funding assistance. Other potential businesses include healthy and affordable food access such as grocers and co-ops, recreation facilities, and even medical facilities.

Potential CBA stipulations, some of which are included in the goals listed herein, are:

- funding of the community bank that can be used towards affordable housing and other community needs
- relocation assistance for displaced low-income renters
- right of return for residents displaced by development
- high quality employment opportunities with mobility potential
- local employment preference for construction work
- local-source job training and hiring with hiring targets for minorities
- rent stabilization for new housing developments
- provide opportunities for “high-road” jobs that opportunities for career building and advancement
- strengthen partnerships with Portland Community College to utilize the institution’s existing workforce development programs as a hub for increased economic opportunities and community development.

Goal 7: Community development strategies are implemented to provide economic opportunities for small, immigrant, refugee, and minority-owned business.

- **Establish contained Mixed Use Zones along the Bus Rapid Transit (BRT) alignment for East Portland.**

The establishment of mixed-use zones along the BRT would increase opportunities for neighborhood-scale commercial and affordable housing.

- **Establish development packages that are East Portland specific in mixed use areas.**

Development packages are an effective tool to ensure that affordable commercial space (750 – 1200 sq. ft.) designed for small and micro enterprise businesses is developed along the corridor. Also, it would assist with commercial rent stabilization by establishing lengths of time that a tenant could be provided with affordable rent.

To assist developers in creating these new economic opportunities, these development packages will also have incentives such as deferred SDC and initial permit fees.

The enforcement of these packages could be built into Neighborhood Economic Development coordinated agency program, allowing for neighborhood business association review.

- **Establish savings matches so businesses could expand over time.**

To assist the growth of small, immigrant, refugee, and minority-owned businesses, it is recommended to develop a business-funding model that establishes a saving match so that

businesses could expand to a larger space over time. Businesses in these spaces would agree to be active participants in the mixed-use area's neighborhood business associations. The program would provide resources to partners who will fund micro-enterprises, such as MESO or Craft 3.

Goal 8: Improving health outcomes in the corridor are prioritized in all new development.

- **A Health Overlay Zone within the Jade and Midway Districts that requires new development to mitigate air and noise pollution.**

We recommend the establishment of a Health Overlay Zone within the Jade and Midway Districts imposing regulations on new development. Overlay zones create zoning districts upon existing base zones, establishing specific provisions. Portland has fourteen overlay zones, some of which can be used as bases for a health overlay zone within the Jade and Midway Districts, utilizing existing overlays such as environmental overlay conservation (c) zone or even Main Street Overlay (j). The conservation zone, while primarily focusing on the conservation of important resources and functional values, does include language on “allowing environmentally sensitive urban development”. The Port of Portland has a noise impact overlay zone, which reduces the impact of noise on development within the noise impact area surrounding the airport, providing an example of a geographically specific overlay zone. San Pablo, CA is in the process of establishing a 500-foot Air Quality Health Risk Overlay Zone to protect sensitive populations and land uses from toxic emissions.

The recommendations for a health overlay zone in North Portland provides several strategies that are well aligned with the goals of the Powell/Division High Capacity Transit project. These strategies to improve air & water quality, reduce noise pollution, and increase safety include improved design & building standard for residential development and transportation improvements, among other strategies.

Alameda County, CA (home to several cities, including Oakland) has identified “priority development areas” (PDAs). “These are areas close to transit stations or along major transit corridors” and “were established voluntarily by cities” in order to help address housing needs. The 2013 Plan Bay Area recognizes that “Expanding PDAs to cover all ‘PDA-like’ places and having strong policies for developing affordable housing in PDAs are critical for regional housing equity.”^{vii} PDAs that accept their Regional Housing Needs Allocation are eligible to apply for funds through the One Bay Area Grants - “an incentive-based program designed to stimulate the production of housing in areas well served by transportation, particularly public transit.” The combination of these two tools - the planning designation and the accompanying pool of funding, suggests a model for securing community health benefits alongside transit investment while also providing incentives for housing developers to locate new projects along the transit investment.

- **Transfer ownership of Powell Blvd and 82nd Avenue to the City of Portland in order to create healthy and safe conditions.**

The Powell-Division BRT project has two “orphan highways’ in or within ½ mile of the project area. Those highways are Oregon 99 East (SE 82nd Ave.), and US 26 East (SE Powell Blvd.). Although both of these roads are within the city limits of the City of Portland, they are under the

jurisdictional control of the Oregon Department of Transportation (ODOT). Both 82nd and Powell have significant problems that are not being addressed due to the multiple jurisdictions that must make decisions to fix these problems.

Both roads are significantly deficient and require substantial expenditures to bring them up to safe standards. Powell Blvd will cost approximately \$100 million to implement the Outer Powell Conceptual Design Plan (approved in 2012). This would provide sidewalks, bike lanes, and crosswalks. Until these improvements are completed, the City of Portland will not take possession of either road. Southeast 82nd is also in need of upgraded sidewalks, crosswalks, and bike lanes.

The existence of multiple jurisdictions along these roads inhibit improving the economy and quality of life of the surrounding communities. Neither Powell nor 82nd, Powell more so than 82nd, are walkable and lack adequate infrastructure for safe and convenient access to bus stops. This is an impediment for local residents to access local businesses. The current conditions of these roads impede on residents from other parts of Portland preventing them from shopping at local businesses. Standard practices like installation of artwork and wayfinding signs are inhibited due to the regulatory hurdles that are currently in place.

The State of Oregon should allocate sufficient funding to bring Oregon 99E (SE 82nd Ave) and US 26E (SE Powell Blvd) up to City of Portland standards, make the improvements to the roads, and transfer them to the jurisdiction of the City of Portland. Such actions will improve the business and economic environment of the areas along these roads as well as improve the overall safety and livability of the surrounding communities.

Goal 9: Powell-Division residents are meaningfully engaged and empowered to influence the direction of development activity along the corridor

- **Provide jurisdictional support for an ongoing steering committee to direct and guide development activity along the corridor.**

Planning for and building out a new high capacity transit line benefits from community input in each stage of the process. Recognizing the need for ongoing support, funders in Minneapolis & St. Paul created the Central Corridor Funder's Collaborative to support the Green Line light rail project connected the downtowns of those two cities. While Portland does not have the benefit of a Funder's Collaborative, we do have the benefit of engaged residents, a strong network of non-profits, and an increasing awareness from government agencies and private developers that community expertise is just as important as planning or engineering expertise when it comes to creating or preserving thriving neighborhoods. The City of Portland's recent North/Northeast Neighborhood Housing Strategy relied heavily on input from community forums and from the expertise of many community leaders with a broad range of expertise and experience.

Goal 10: Equity standards guide investments in the corridor.

- **Require developers to conduct a community or equity impact report outlining community burdens and benefits - to be submitted with development proposal and approved by the steering committee.**

In order to ensure that equitable standards are being met and maintained with new developments within the corridor, we recommend for developers to be subject to the requirement of conducting a community equity impact report that would clearly outline both burdens and benefits. Part of this requirement should be that the report be subject to approval by the steering committee, along with the original development proposal. While this would be a fairly unique requirement, there is an abundance of precedence surrounding community impact reports. The U.S. Department of Transportation's Office of Planning, Environment and Realty describes Community Impact Assessments as "a process to evaluate the effects if a transportation action on a community and its quality of life . . .The assessment process . . .shapes the outcome of the project"^{viii}. Health Impact assessments also provide precedence, and findings can be developed into standards, much like we are recommending.

North Park Mines in New South Wales, Australia has conducted a "Social Impact Assessment" of the mining community there in order to establish regulations in addition to what is involved in their Health Impact Assessment. This emerged out of the inadequacies found with other impact assessments. These assessments are ongoing, not limited to project initiation. To provide an example closer to home, St. Paul, MN has developed a Community Health Impact Assessment of Transit Oriented Development in order to ensure a "Healthy Corridor for All". This was conducted in response to community fears that not enough analysis had been done. The entire process was lead by organizations and community groups.

Portland's Comprehensive Plan Update Draft includes several policies such as 5.11: Impact Analysis which mandates verbatim "Evaluate plans and investments, and other legislative land use decisions to identify potential disparate impacts on housing choice and access for protected classes"^{ix}. This provides a foundation for establishing this policy here in Portland.

Goal 11: Programs are established to support and uplift low-income families so that they can remain and thrive in the community.

- **Individual Development Accounts (IDAs) for renters in the corridor who have low incomes.**

Low-income families often live paycheck to paycheck. A savings account, such as a matching Individual Development Account would potentially help stabilize families. Currently, the US Department of Health and Human Services provides \$20 million dollars a year, in conjunction with private parties, to help stabilize families. Creation of such a fund would help offset the proposed development's negative impacts on the community, allowing them to keep up with the rising cost of rent.

- **Microenterprise and small-scale economic development projects for renters in the corridor who have low incomes.**

Offering funds to assist low-income small businesses may help boost vitality of both the corridor and those individuals receiving the funds. The Small Business Administration currently provides grants for nonprofits that work with small businesses and entrepreneurs. Acquiring such a fund would help encourage business around the new developments, making the area more attractive to the community as well as the developer.

- **The creation of a Community Bank.**

A community bank would provide local banking and credit to the surrounding community. Small business owners and community members could acquire loans, with low interests rates, to ensure the community's vitality.

ⁱ <http://housing.arlingtonva.us/affordable-housing/goals-targets/>

ⁱⁱ <http://www.smartvoter.org/2000/11/07/ca/sf/meas/N/>
<http://ci.lafayette.ca.us/Modules/ShowDocument.aspx?documentid=742>
<http://www.abag.org/files/CondoConversionRequirements.pdf>

ⁱⁱⁱ <http://housinglandadvocates.org/resources/land-use-and-housing/inclusionary-zoning-in-oregon/>
<https://housinglandadvocates.files.wordpress.com/2011/10/is-inclusionary-zoning-inclusionary-a-guide-for-practioners.pdf>

^{iv} Bureau of Planning and Sustainability Portland Comprehensive Plan: Housing Policy

^v http://www.cityofboston.gov/isd/housing/rental_faqs.asp
<http://www.cityofwarren.org/index.php/departments/rental-division>

^{vi} <http://www.dcfpi.org/dcs-first-right-purchase-program-helps-to-preserve-affordable-housing-and-is-one-of-dcs-key-anti-displacement-tools>

^{vii} <http://abag.ca.gov/files/PriorityDevelopmentAreas.pdf>

^{viii} <http://www.fhwa.dot.gov/environment/cia/>

^{ix} <http://www.portlandoregon.gov/bps/article/497395>